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TRADE AND DEVELOPMENT BOARD
Commission on Investment, Technology
and Related Financial Issues
Second session
Geneva, 29 September 1997
Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS

I. PROVISIONAL AGENDA

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GE.97-51260 (E)

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1 - Election of officers

1. In accordance with rule 18 of the rules of procedure of the main Committees of the Trade and Development Board, the Commission shall elect a Chairman, five Vice-Chairmen and a Rapporteur from among the representatives of its members, taking into account the need to ensure equitable geographical distribution. Moreover, rule 19 of the same rules of procedure states that the Bureau of the Commission shall consist of seven members (i.e. four members from Lists A and C combined, two members from List B and one member from List D, referred to in the annex to General Assembly resolution 1995 (XIX) as amended).

2. Accordingly, following the cycle of rotation established after UNCTAD IX onwards, the bureau for the second session of the Commission shall be as follows. Chairman from List D; Rapporteur from List A (Asia); and five Vice-Chairmen (three from Lists A and C and two from List B).

Item 2 - Adoption of the agenda and organization of work

3. The provisional agenda for the second session of the Commission, as reproduced in section I above, was approved by the Commission at the final plenary meeting of its first session on 7 February 1997 (cf. TD/B/44/4, annex III).

Documentation

TD/B/COM.2/6 Provisional agenda and annotations

4. Concerning the organization of the work of the session, the Commission has five days available. It is suggested that the agenda items be taken up sequentially, with the first plenary meeting, on Monday, 29 September, being devoted to procedural matters, introductory statement and the commencement of the discussion under item 3. The discussion is expected to continue until the close of the afternoon meeting on Tuesday, 30 September. Item 4 would be taken up on Wednesday, 1 October, and items 5 and 6 in the morning session of Thursday, 2 October. The last plenary meeting, on Friday, 3 October, would be devoted to the adoption of any formal action and to items 7 and 8.

5. The secretariat will prepare a detailed programme, which will be available on the first day of the session.

Item 3 - Recent developments in foreign direct investment trends and policies

6. The past decade has witnessed a remarkable process of liberalization of FDI policies worldwide. As countries liberalize and firms increase their investment activities abroad in response to liberalization as well as their own strategic objectives, the proper functioning of the market becomes important, and effective competition policy is essential in this respect. Competition issues related to FDI deserve increased focus in a world in which FDI has become a key element of the globalization process, constituting a

critical core of production activities. Considerations related to competition and competition policy are particularly relevant for developing countries and the economies in transition as they liberalize and become more closely integrated into the world economy. Balancing efficient resource-use with dynamic growth of their economies presents new challenges as regards maintaining policy coherence as well as formulating and implementing competition policy.

7. Against the background of global and regional FDI trends and on the basis of an analysis of the market structure, competition and competition policy, the Commission will discuss national and international policy measures designed to increase the contribution of FDI to development. To facilitate the discussion, the report on this item summarizes the findings in the World Investment Report 1997, which will serve as background document for the deliberation.

Documentation

UNCTAD/ITE/IIT/5 (Overview) "Overview of the World Investment Report 1997: Corporations, Market Structure and Competition Policy"

Item 4 - Examining and reviewing existing agreements on investment to identify their implications for development, as called for in paragraph 89 (b) of "A Partnership for Growth and Development"

8. The Commission, at its first session, decided to convene "a meeting to examine and review existing agreements on investment, taking into account the interests of developing countries, and bearing in mind the work undertaken by other organizations, in pursuance of the mandate of paragraph 89 (b) of 'A Partnership for Growth and Development' to identify and analyse implications for development of issues relevant to a possible multilateral framework on investment" (see TD/B/44/4, annex I, para. 9 (b)).

9. Agreements on investment exist at the bilateral, regional and multilateral levels. As a step towards a broader discussion of issues relevant to a possible multilateral framework on investment (MFI), the Meeting of Experts held from 28 to 30 May 1997 focused on bilateral investment treaties (BITs), since the issues covered in BITs, the ways in which these issues are dealt with, and the impact of BITs, are directly pertinent to discussions on a possible MFI. The Meeting had a broad and useful discussion on five set questions, i.e. reasons for concluding BITs, issues addressed by BITs, experience with the application of BITS, role of BITs in the development of national law and standards of international law, and the development dimension.

10. The Commission will have before it the report of the Expert Meeting as its main document to facilitate its discussion of policy implications of the findings and conclusions of the Expert Meeting on this issue. This report will be supplemented, as background documentation, by "Bilateral investment treaties and their relevance to a possible multilateral framework on investment: issues and questions" (TD/B/COM.2/EM.1/2), a note prepared by the

secretariat for the Expert Meeting, and an in-depth study on Bilateral Investment Treaties in the 1990s. In addition, the expert papers presented at the Expert Meeting on the above-mentioned issues and questions will also be made available upon request.

Documentation

TD/B/COM.2/5-..	Report of the Expert Meeting on Existing Agreements on Investment and their Development Dimensions
TD/B/COM.2/EM.1/3	

Item 5 - Reports of the subsidiary bodies of the Commission

11. The Commission decided, at its first session, to hold an Expert Meeting on Investment Promotion and Development Objectives. The Meeting is scheduled for 24-26 September 1997, just before the second session of the Commission. It will review the recent country and regional experience in investment promotion, from the perspective of policy-making officials, practitioners and other investment experts. The Meeting is expected to further the exchange of best practices among host country investment promotion institutions, and encourage greater cooperation among inward and outward investment promotion programmes. It also aims to enhance awareness of the need to maximize the development effects of incentives and avoid excessive competition. The report of the Expert Meeting will be available during the session of the Commission.

Documentation

Report of the Expert Meeting on Investment Promotion and Development Objectives

Item 6 - Provisional agenda for the third session of the Commission

12. In accordance with rule 8 of the rules of procedure of the main Committees, the secretariat will submit during the session a draft provisional agenda for the third session of the Commission on Investment, Technology and Related Financial Issues.

13. Furthermore, in accordance with the decision at UNCTAD IX (para. 114 of "A Partnership for Growth and Development"), the Commission may convene expert meetings of short duration, not exceeding three days, in order to benefit from a higher level of technical expertise. Expert meetings should receive from the parent Commission precise terms of reference. In the light of the provisional agenda for the third session, the Commission is expected to decide on the expert meetings to be convened during 1998.

Item 7 - Other business

Item 8 - Adoption of the report of the Commission

14. The report of the Commission will be adopted at its final plenary meeting and submitted to the Trade and Development Board for consideration.